

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

**IN THE MATTER OF: J & W FINANCIAL SERVICES, INC,
J & W CONSTRUCTION, INC., BEAR CARES DAY CARE
CENTER and DEREK J. WOODS**

)
) **Case No. C0800515**
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TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT:

Derek J. Woods (CRD# 2358893)
16234 Louis Avenue
South Holland, Illinois 60673

J & W Financial Services, Inc.
Attn: Derek J. Woods
313 River Oaks Drive
Calumet City, Illinois 60409

J & W Construction, Inc.
Attn: Derek J. Woods
16234 Louis Avenue
South Holland, Illinois 60673

Bear Cares Day Care
Attn: Derek J. Woods
16234 Louis Avenue
South Holland, Illinois 60673

**TO THE ATTORNEY
FOR RESPONDENTS:**

Cardinal Legal Group, P.C.
Attn: Alex Ogoke
100 West Monroe, Ste 711
Chicago, Illinois 60603

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND FACTS

1. That Derek J. Woods, ("Woods" or together with J & W Financial Services, Incorporated and/or J & W Construction, Inc., "Respondents") is an individual who last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
2. That J & W Financial Services, Incorporated, ("J & W Financial" or together with Derek J. Woods and/or J & W Construction, Inc., "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
3. That J & W Construction, Inc., ("J & W Construction", or together with Derek J. Woods and/or J & W Financial Services, Incorporated, "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
4. That Bear Cares Day Care Incorporated, ("Bear Cares", or together with Derek J. Woods and/or J & W Financial Services, Incorporated, "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
5. That Respondent Woods was registered as a salesperson with the State of Illinois until May 3, 1999.
6. Complainants, Investor A and Investor B are residents of the State of Illinois.

Respondents offering and selling unregistered securities

7. On or around April 8, 2003, on behalf of Respondent J & W Financial, Respondent Woods sold Investor A a \$35,000.00 10% Investment Contract, with principal and interest due on August 8, 2003.
8. That on or about August 8, 2003, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 12% Investment Contract, replacing the April 8, 2003 Investment Contract.
9. That on or about November 19, 2003, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 10% Investment Contract, replacing the August 8, 2003 Investment Contract.
10. That on February 19, 2004, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 10% Investment Contract, replacing the November 19, 2003 Investment Contract.

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11. That on June 1, 2004, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 12% Investment Contract, replacing the February 19, 2004 Investment Contract.
12. On or around November 5, 2004, on behalf of Respondent J & W Financial, Respondent Woods sold Investor A a \$25,000.00 10% Investment Contract, with principal and interest due November 5, 2007.
13. On or around November 5, 2004, on behalf of Respondent Bear Cares, Respondent Woods sold Investor A a \$25,000.00 10% Investment Contract, with principal and interest due November 5, 2007.
14. In or around March 2005, on behalf of Respondent J & W Construction, Respondent Woods sold Investor B a \$237,310.00 Investment Contract.
15. On or around March 5, 2006, on behalf of Respondent J & W Financial, Respondent Woods issued Investor B a \$206,515.00 10% Investment Contract, replacing the previous Investment Contract.
16. Between January 2004 and January 2005, on behalf of Respondent J & W Financial, Respondent Woods sold to Investor C, notes and/or investment contracts totaling approximately \$110,000.00.
17. In or around January 2005, on behalf of Respondents J & W Construction and J & W Financial, Respondent Woods replaced the previous contracts issued to Investor C of Respondent J & W Financial with a contract issued from Respondent J & W Construction.
18. On or around January 28, 2006, on behalf of Respondent J & W Construction, Respondent Woods issued Investor C a \$82,150.00 14% Investment Contract, replacing the previous Investment Contract.
19. To date, despite demands, the Respondents have failed to pay Investors their principal and interest, pursuant to the terms of the Investment Contracts.
20. That the activities set forth in paragraphs above constitute the offer and sale of Investment Contracts, and therefore securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
21. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
22. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4

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of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.

23. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
24. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
25. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.
26. That the aforementioned findings are based upon credible evidence.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, **Respondents Derek J. Woods, J & W Financial, Inc., J & W Construction and Bear Cares Day Care Incorporated** are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition & Suspension. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This ~~5th~~ day of June 2009.

16th

A handwritten signature in dark ink, appearing to read "Jesse White", followed by a stylized flourish or set of initials.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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